(iv) *Terms of payment:* The terms of payment, briefly, are as follows:

Supply of Equipment:

Intial advance	15%
Progressive payment on despatch of equipment	60%
Progressive payment on receipt of equipment at site.	15%
On seccessful completion of performance and guarantee tests of each unit.	10%

Supply of Mandatory spares:

Progressive payment on despatch	75%
Progressive payment on receipt	25%

Erection of equipment:

Initial advance on establishment of site office	10%
Progressive payment on erection of equipment	60%
On seccessful completion of performance and guarantee tests of each unit.	10%

(v) *Contract performance guarantee:* BHEL are required to furnish a contract performance guarantee equivalent to ten per cent (10%) of the total contract price.

(vi) *Equipment performance guarantee:* BHEL are rquired to demonstrate certain indentified performance parameters and, in case BHEL fail to meet the guaranteed values for some of the performance parameters, they would be required to pay to NTPC liquidated damages at the rates specified in the contract documents.

Grant of Financial Assistance by United Kingdom for Power Projects

5354. SHRIMATI BASANTI SARMA:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of POWER be pleased to state:

(a) whether the Government of United Kingdom had offered financial resources in the form of grant to the Government of India for utilisation in the power projects;

(b) whether any agreement was signed in this regard;

(c) what is the amount of loan which is offered; and

(d) for what projects this loan will be utilised?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA BEN CHIMANBHAI PATEL): (a) to (d) The power projects under implementation with grant assistance from UK are indicated below:—

(Million)

	Name of the Project	Amount of grant (Pound Sterling)
1	Uri Hydroelectric Project (4×120 MW)	17.16
2	Hirakud Hydro Rehabilitation Project	18.80
3	Power Sector Project	30.00
4	Energy Efficiancy Project (PFC)	81.10
5.	Chandrapur HVDC Back to Back	63.00
6.	AP Energy Efficiency Project	42.70

Extension of Loan Utilisation period to Power Finance Corporation

5355. SHRI PRAGADA KOTAIAH:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of POWER be pleased to state:

(a) whether the French Government was requested to extend the utilisation period of the French loan given to the power Finance Corporation upto 31st December, 1994;

(b) if so, whether the French Government have extended the perod;

(c) whether the money has been utilised within the extended period; and

(d) what was the reason for non-utilisation of loan in time?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA BEN CHIMANBHAI PATEL): (a) Yes, Sir.

(b) The utilisation period was extended upto 31.12.94 in the first instance and thereafter upto 30.06.1995.

(c) The loan has been fully utilised by 31st March, 1995.

(d) The loan was made available to the Karnataka Electricity Board (KEB) through the Power Finance Corporation (PFC) for import of French diesel engines and related equipments for its Yelahanka Diesel Power Project. Delay in completion of civil works by Karnataka Electricity Board and consequential delays in supply of equipment from France led to delayed utilisation of the loan.

Pre-Investment fund of Power Finance Corperation

5356. SHRI V. RAJESHWAR RAO: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Power Finance Corporation has established the Pre-Investment Fund;

(b) if so, what are the details thereof;

(c) whether the Pre-Investment Fund has given financial assistance to any SEBs or SGCs and if so, for what purpose; and

(d) whether the SEBs or SGCs have properly utilised this fund?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA BEN CHIMANBHAI PATEL): (a) Yes, Sir.

(b) Power Finance Corporation has established a pre-investment fund of US$ 20 million, with the financial assistance of World Bank. This is meant to enable SEBs to, inter-alia, conduct pre-feasibility/feasibility studies detailed engineering for Power Schemes and, studies of institutional nature for the Power Sector.

(c) Power Finance Corporation has given financial assistance of about US$ 14.55 million to the SEBs and other utilities from the pre-investment fund mainly for pre-feasibility/feasibility studies, detailed project reports, detailed design and engineering, state-wide computerisation schemes of SEBs and environmental impact assessment studies.

(d) Yes, Sir. Utilisation of the loan is being regularly monitored by PFC.

Losses of Damodar Valley Corporation

5357. SHRI JOYANTA ROY: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Damodar Valley Corporation continues to sustain an annual loss of Rs. 18 crores even though there are potentialities for earning good profits;

(b) if so, the reasons therefor;

(c) when the tariff was last revised by DVC;

(d) the details of the revised tariff;

(e) whether it is a fact that the Bihar State Electricity Board and West Bengal State Electricity Board have refused to accept the revised tariff; and

(f) if so, the grounds of refusal?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA BEN CHIMANBHAI PATEL): (a) No Sir, On the contrary, Damodar Valley Corporation (DVC) earned a net profit of Rs. 107 crores during the year 1993-94 and it is expected that DVC will continue to earn a similar level of profit during the year 1994-95 as well.

(b) Does not arise.

(c) DVC's tariff was last revised in May, 1994 and certain modifications in